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NATIONAL INTELLIGENCE DAILY CABLE

Monday 28 August 1978

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NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

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National Intelligence Daily Cable for Monday, 28 August 1978



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The NID Cable is for the purpose of informing senior US officials.

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IRAN: Formation of New Government

25X1 [] The formation of a new government in Iran just before Chinese Premier Hua Kuo-feng's visit tomorrow is an indication of the seriousness with which the Shah views the continuing political unrest that has beset the country since January.

25X1 [] The appointment to the prime minister's post of former Senate President Jafar Sharif-Emami, 68, a traditionalist who is well regarded in the religious community, was intended as a gesture of conciliation to Muslim leaders who have been in the forefront of opposition to the Shah's rule. The Shah's removal in early June of General Nematollah Nasiri, who had been identified with a hardline approach in dealing with dissidents, as head of the National Intelligence and Security Organization (SAVAK) was an earlier attempt to placate religious leaders.

25X1 [] Outgoing Prime Minister Amuzegar's one-year tenure was a mixed success. He curbed inflation and reduced the cost of housing, but he lacked the skills in political brokerage needed to cope with an increasingly active religious and political opposition. It has been the Court, not the government, that has begun a tentative dialogue with religious leaders.

25X1 [] Sharif-Emami, in his first public statement in office, said that his first order of business will be to damp down Iran's volatile political environment by building bridges to alienated Muslim fundamentalists. During his brief tenure as a transition Prime Minister in 1960-1961, he acquired the reputation of acting independently of the Shah. He has for years, however, remained a member of the Shah's inner circle of advisers and would be a likely choice to serve as the Shah's intermediary with major Muslim leaders.

25X1 [] It remains to be seen whether religious leaders are now ready to accept the compromises necessary for a political settlement with the Shah. The Shah's appointment of a new cabinet could be interpreted by some Muslim clergymen as a capitulation to their demands. This could encourage Muslim leaders to push for further political concessions, such as the right of the Muslim clergy to veto parliamentary legislation--something the Shah is certain to reject.

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[redacted] New appointees hold about two-thirds of the ministerial posts in the government. One is Foreign Minister Amir Khosrow Afshar-Qasemlu, a veteran career diplomat with wide experience in a number of foreign posts. The appointment of a military officer, General Abbas Karim-Qarabaqi, as Minister of Interior breaks precedent with the civilian hold on the post and was probably intended by the Shah as a message that he will continue to deal firmly with opponents who go beyond accepted limits of political dissent.

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[redacted] The Shah will continue to formulate the broad outlines of Iran's domestic and foreign policies. The formation of the new government presages no sharp departure in policy toward the US or in Iran's relations with other major powers and its neighbors. [redacted]

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LEBANON: Fighting in the North

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[redacted] *Fighting raged in northern Lebanon this weekend between Syrian troops and Phalangist militiamen, but Beirut remained relatively calm except for sporadic sniper fire.*

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[redacted] The fighting in the north began on Friday when Phalangists ambushed two truckloads of Syrian troops near Batrun. The Syrians retaliated with tanks and artillery. On Saturday, the Phalangist radio announced that the Syrians had overrun a militia-held village east of Batrun using helicopter-borne commandos. A truce was negotiated on Sunday after Lebanese President Sarkis talked with both sides, but later in the day the Phalangist radio said that Syrian gunners shelled three villages east of Batrun.

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[redacted] The new fighting in the north is an outgrowth of the feud between the Phalangists and supporters of pro-Syrian Christian leader Sulayman Franjiyah. Franjiyah's followers massacred several Phalangists near Batrun on Thursday. [redacted]

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[redacted] The Syrians and most Christian leaders, however, seem to want to avoid a major new round of clashes in the capital at this time. [redacted]

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PALESTINIANS: Terrorists Groups

25X1 [] //Palestinian terrorist groups have stepped up their operations in Israel and the occupied territories, apparently in part to draw attention to the Palestinian cause before the Camp David summit meeting. Israeli security forces are able to counter most but not all of the terrorist operations.//

25X1 [] //The Palestinians have attempted some 20 terrorist acts in Israel or the occupied territories during the past two weeks; this number of operations apparently exceeds the total for the month of July. They have usually planted explosive devices in market areas and other public places--two bombs were discovered this weekend--although they have also made one rocket attack. Since June, the Israelis have convicted over 500 persons of terrorist activity.//

25X1 [] //Most of the terrorist acts were detected beforehand or caused minimal damage or casualties. An explosion in the Gaza Strip on Wednesday, however, killed two Arabs and injured several others. This appears to be the first incident there in over a year.//

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25X1 [] //In addition to underscoring the need for a Palestinian voice in Arab-Israeli settlement efforts, the terrorist operations are intended to demonstrate that the

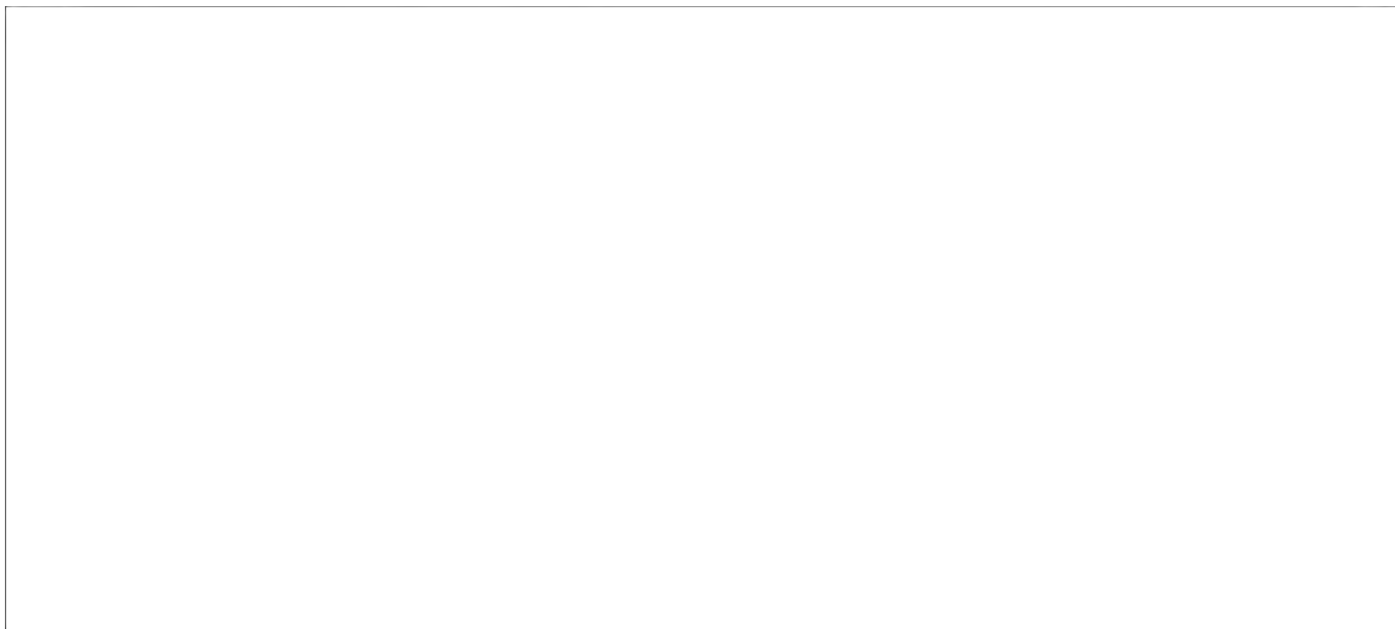
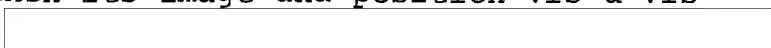
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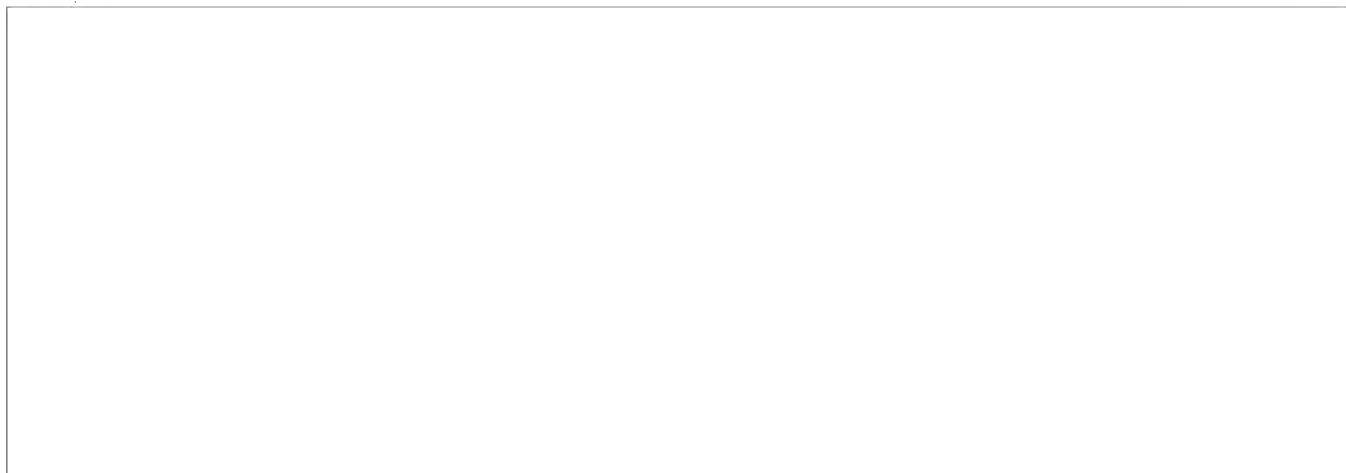
Palestine Liberation Organization is a force to be reckoned with and that it can operate despite Israeli security measures. Yasir Arafat's Fatah has conducted some of the operations, apparently in order to strengthen its image and position vis-a-vis the Palestinian extremists.

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CAMBODIA: Refugee Influx

25X1 [] //A dramatic increase in the number of refugees fleeing northwestern Cambodia into Thailand in recent weeks apparently stems from an intensified campaign to execute anyone remotely associated with the former Lon Nol regime. Cambodia's leaders apparently still strongly believe a large portion of their population poses a serious threat to the regime.//

25X1 [] //Information on the scope of the campaign is sketchy, but in the northwest the new purge apparently began taking shape earlier this year when authorities compiled lists of people associated with the former government. Although many people attempted to hide their past affiliations, the lists were extensive, including not only low-ranking soldiers and officials and their families, but virtually anyone who had not lived in Communist-controlled areas before 1975. A refugee who had been a cooperative leader claims a superior told him that 40,000 of a population of 70,000 in his area were "traitors who have to be eliminated."//

25X1 [] //Party cadre have also been purged, apparently as part of a continuing rectification campaign. In one area the leadership has been purged three times since 1975, in part because local leaders were regarded as too lenient.//

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[redacted] //North Vietnam's backing of Khmer resistance groups in the eastern front may be partly responsible for the concern of Cambodian leaders with "traitors" and for their forceful moves against personnel associated with the former regime. [redacted]

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BRIEFS

Nicaragua

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[redacted] The national strike in Nicaragua, called by a broad-based opposition coalition, started slowly on Friday. Most initial support came from the provinces.

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[redacted] Unless the movement gathers momentum today, it will cast further doubt on the effectiveness of the nonviolent opposition as an alternative to the Sandinista guerrillas. Moreover, the strike will reinforce President Somoza's disinclination to make important concessions to his opponents.

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[redacted] Somoza told the US Ambassador on Saturday that he intends to break the strike and will not bow to pressure from the opposition. The President said he would not impose a state of siege but indicated that he was considering such measures as invoking the radio and TV code to control "Communist propaganda and agitation," revising the legal code to facilitate prosecution of opposition leaders, jailing politicians who support the strike, and using the central bank against striking businesses. [redacted]

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